VZCZCXRO3689 OO RUEHBI RUEHCI RUEHLH RUEHPW DE RUEHNE #3050/01 1240840 ZNY SSSSS ZZH O 040840Z MAY 06 FM AMEMBASSY NEW DELHI TO RUEHC/SECSTATE WASHDC IMMEDIATE 3327 INFO RUEHBJ/AMEMBASSY BEIJING 1786 RUEHLM/AMEMBASSY COLOMBO 5046 RUEHKA/AMEMBASSY DHAKA 5077 RUEHIL/AMEMBASSY ISLAMABAD 8043 RUEHBUL/AMEMBASSY KABUL 2797 RUEHKT/AMEMBASSY KATHMANDU 5737 RUEHLO/AMEMBASSY LONDON 9670 RUEHMO/AMEMBASSY MOSCOW 8163 RUEHKO/AMEMBASSY TOKYO 3196 RUEHCI/AMCONSUL CALCUTTA 3546 RUEHCG/AMCONSUL CHENNAI 3444 RUEHKP/AMCONSUL KARACHI 3671 RUEHLH/AMCONSUL LAHORE 2514 RUEHBI/AMCONSUL MUMBAI 2711 RUEHPW/AMCONSUL PESHAWAR 3170 RHEHNSC/NSC WASHDC RUEIDN/DNI WASHINGTON DC RHHMUNA/CDR USPACOM HONOLULU HI RUCNDT/USMISSION USUN NEW YORK 0505 RHMFISS/HQ USCENTCOM MACDILL AFB FL RUEHGV/USMISSION GENEVA 2762 RHHMUNA/HQ USPACOM HONOLULU HI RHMFISS/HQ USSOCOM MACDILL AFB FL RUEKJCS/JOINT STAFF WASHDC

S E C R E T SECTION 01 OF 02 NEW DELHI 003050

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E.O. 12958: DECL: 05/03/2016 TAGS: <u>PREL PGOV PTER PINR IN</u>

SUBJECT: INDIAN SPECIAL ENVOY PROPOSES WAY FORWARD IN NEPAL

TO A/S BOUCHER

REF: NEW DELHI 2609

Classified By: Ambassador David Mulford for Reasons 1.4 (B, D)

11. (C) SUMMARY: Indian Special Envoy to Nepal Dr. Karan Singh told visiting SCA A/S Richard Boucher and NSC Senior Director Elisabeth Millard that he believes that the Nepalese political situation remains very fragile, and that it is uncertain who will lead the political process forward should current PM Koirala's health fail. Dr. Singh also stated that while the disarmament of the Maoists will be a very difficult process, it - nor the constituent assembly - can be delayed due to the extreme fragility of the Nepalese polity. Finally, Dr. Singh thanked the U.S. for supporting India as the lead country in resolving the Nepal crisis. END SUMMARY.

SEVEN PARTY UNITY ALLIANCE STABLE, BUT LEADERSHIP UNCERTAIN

12. (S) Indian Special Envoy to Nepal Dr. Karan Singh met on May 3 with Assistant Secretary for South and Central Asian Affairs Richard Boucher, Ambassador David Mulford, and NSC Senior Director Elisabeth Millard. Dr. Singh commented how close the political situation in Nepal came to a populist revolution, with the king reinstating Parliament only hours before crowds were set to storm the royal palace, in a "Ceaucescu-like situation". Dr. Singh believes that the Seven Party Alliance (SPA) will hold together, but he was not certain who would ultimately lead it forward, since recently-anointed Prime Minister Girja Prasad Koirala's health is failing, and Koirala has asked former Prime Minister Deuba to take his place if his health fails. Dr. Singh went on to state that the two Congress parties (Nepali Congress and Nepali Congress (D)) should merge to form one party, with former PM Deuba as the Deputy or Prime Minister.

UML leader Madan could be another candidate for succession should Koirala's health fail.

MAOISTS MUST DISARM

one year from now.

13. (S) Any political settlement must also include the disarmament of the Maoists, Dr. Singh asserted. Yet, how to proceed and verify this will be a "ticklish question". However, the GOI is clear that the Maoists must disarm. A/S Boucher and the Ambassador noted that this will be a contentious and lengthy process, citing the IRA experience in Ireland. Dr. Singh responded that the Nepalese situation is much too fragile for lengthy delays - and that a new constituent assembly will have to be seated by no later than

KING (AND SON) SHOULD KEEP QUIET OVER COMING MONTHS

14. (S) Dr. Singh believes that the Constituent Assembly elections will not take place before October or November, since preparation of electoral rolls and the monsoons will cause delays. Dr. Singh commented that the king is too weak to interfere with the processes already underway, and therefore there is no urgency to pass a constitutional amendment immediately to eliminate any potential royal interference with republican processes. Dr. Singh thought that a constitutional monarchy could still be a possibility, barring any bad behavior by the palace over the next several months. The king was personally told by Dr. Singh to send

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his eldest son abroad for at least six months in order to prevent any further incidents which might incite public outrage. Dr. Singh noted that the king's son is extremely reckless and has killed several citizens in drug and alcohol-induced car accidents. Dr. Singh went on to state that if there are no further reprehensible incidents involving the king or his son, a constitutional monarchy could still be on the table at the constituent assembly - an arrangement that India would prefer. Lastly, Dr. Singh concluded the conversation by thanking the U.S. for supporting India as the lead country in resolving the crisis. A/S Boucher noted that India performed a function that no one else could, and deserves credit for its role in resolving the matter.

 $\underline{\mbox{1}}\mbox{5.}$ (U) Ambassador Boucher cleared this cable prior to its transmission. $\mbox{MULFORD}$